

## **Benefits of HR Outsourcing and role of Skilling:**

HR had been in the back burner for decades until the new millennium dawned when it started gaining prominence right up to the Board Room.

It is an established fact that Human Resource development and Human Resource Management is a high priority KPI for any leader at the top in the corporate world today, particularly when ratio of employable to unemployed is grossly skewed.

While an organization's performance is broadly interpreted through turnover and profit figures, a closer HR audit reveals the intricacies of Human resource performance Index and its repercussion on the profitability and performance of the organisation. In order to maximise the effectiveness of HR system it is increasingly felt that HR needs to be left to the professional companies who would stand neutral and work in tandem with the leadership team to strategically reduce the redundancy from the system and bring in high performance delivery to achieve inclusive growth.

It is important to highlight some of the core benefits that HR outsourcing brings to the table out of several.

**Compliance factor:** In a country like India where there are various labour laws and acts, it becomes a challenge to comply with every possible act and law unless one sets up an internal legal department, a team that liaises with government department.

**Reduction of Administrative hassles:** organizations can do away with the wastage of man hours in administering the HR function at the base level and leave it to specialised companies with 'hands-on' experience.

**Focus on the core:** While the specialised company takes care of the execution under the directives of its client, the organization is encouraged to focus on its core business to its best ability.

**Cost benefit:** Monetarily, an organization that outsources its HR stands to save money in the long run and makes the bottom line grow further.

With the demand for HR outsourcing expected to grow manifold, there comes a challenge to churn out employable resources who can fit in to an organization seamlessly. Overcoming this challenge is not an easy task unless there is right skilling. Hence the role of training companies is the greatest amidst the chaotic white or blue collared 'labour' market to say the least. The time lost in training a resource on the job often result in huge wastage of productive hours setting the economy back by miles. India has to accommodate close to 14 million students additionally by 2020 wherein the vast majority of the pool are not considered employable. Maintaining quality while skilling them is another big challenge that can be detrimental unless there are accredited, independent and competent body to conduct Tests to qualify a candidate for a job.

Hence, in the coming days with HR outsourcing growing rapidly, training companies along with accreditation / certification bodies will see a huge demand that can concretise India's growth story further.



Author: Anindya Dey, Managing Director, ERM Placement Services (P) Ltd. [www.ermrecruits.com](http://www.ermrecruits.com)